

Memorandum of Conversation

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Mr. Fisher

ARA Board

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who

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Signature

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who was overthrown by Arbenz, Jorge Toriello and Aldana-Sandoval. (Toriello significantly altered historical facts by substituting Aldana-Sandoval for Arana). The Ambassador conceded that Fortuny was a Marxist but dismissed him as anything but a menace. He conceded that Victor Manuel Gutierrez, head of organized labor, has visited Moscow but professed not to know whether he is a communist, but said that we should, since we have an FDI man in Guatemala. Mr. Fisher interjected that we know about Mr. Gutierrez because we have read his speeches in the press. The Ambassador said it is true that Diaz Rozzoto, the President's private secretary, attended a Communist Party Congress in Guatemala but said he may have gone there not out of sympathy but to make political use of the communists. The Ambassador said the Guatemalan Government was firmly by the side of the United States as shown by its record in the United Nations, and said he had no fear that the few leftist fanatics in Guatemala could succeed in delivering the hemisphere to the Soviets. He said that the Guatemalan Government's policy conforms to our desires in every respect except on the issue of jailing the communists.

Mr. Leddy said that the U.S. is in favor of bettering living conditions as social reform is the best defense against communism, far better than any police action, which is like treating the symptoms rather than the disease itself. However, he continued, in the midst of the life and death struggle with world communism in which we are engaged we find it difficult to ignore the established fact of the existence of communist influence in Guatemala. He said the United States has had ample experience with the unjustified use of "communist" as a political epithet, and described the experiences of President Roosevelt and his New Deal reforms in that respect. Mr. Leddy emphasized that leaving aside any exaggerated accusations against Guatemala there still exists the problem of communist influence, which cannot be eliminated by mere recriminations.

Ambassador Toriello then related incidents from his own life to illustrate the severity of the dictatorships which preceded the present regime in Guatemala. He said the opposition, which is composed of the reactionary landowners and the United Fruit Company, the Railroad, the Electric Power Company, and Pan American Airways, want to overthrow Arbenz and install a dictator of the old type. He said the issue of communism was artificially fostered by the foreign companies, who hired journalists to publicize it in the United States and that his government has proof of this fact.

Mr. Rubottom

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Mr. Rubottom said that it is fundamentally important to remember that communism and the treatment of American companies in Guatemala are entirely separate matters, and we have consistently treated them separately. He said we do not consider communism to be an artificial issue, and that that fact is apparent in our many conversations with representatives of the Guatemalan Government.

Ambassador Toriello explained that the presence of the communists in the political coalition supporting the government is merely a manifestation of the political freedom of choice afforded all citizens in that country. He admitted, however, that it might be politically difficult to reject their support at this time. The Ambassador said he realizes that the communists are only for themselves and no one else, and said he would like to see them gotten rid of. He said he was certain that, if we showed a friendly cooperative attitude toward his government, the communists would turn against Arbenz. He said the Government needs and wants our help in order to rid itself of the communists, and is noting with disappointment signs that we do not wish to help it, such as our refusal to permit the export of 100 insignificant rifles for the Guatemalan Police. The Ambassador concluded that he believes we overestimate the importance of the communists in his country.

Mr. Rubottom replied that, if it is true that we overestimate the importance of the communists in Guatemala, then it should be correspondingly easier for the Guatemalans to deal with them.

AM:GAL:J.Fish:rmcm

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